



Contract No. RH060389LE

**TRI-COUNTY METROPOLITAN TRANSPORTATION
DISTRICT OF OREGON**

**REQUEST FOR STATEMENTS OF QUALIFICATIONS
AND PROJECT APPROACH**

FOR

**DEVELOPMENT OF THE CROWN MOTEL SITE
ON NORTH INTERSTATE AVENUE**

1. The Tri-County Metropolitan Transportation District of Oregon (TriMet) invites sealed Statements of Qualifications for development of the Crown Motel Site, located at 5204/5226 N. Interstate Avenue between N. Emerson and N. Sumner.
2. TriMet will receive sealed Statements of Qualifications at 710 NE Holladay Street, Procurement & Contracts Department, Portland, Oregon 97202, Attention: Lance Erz, **until 4:00 pm., Pacific Time, on April 21, 2006**. Proposals will not be publicly opened.
3. All questions should be referred to Lance Erz, Contract Administrator at (503) 962-2108, via e-mail to erzl@trimet.org, or via fax at 503-962-2298.

TRI-COUNTY METROPOLITAN
TRANSPORTATION
DISTRICT OF OREGON

BY: _____
Lance Erz
Contract Administrator
Procurement & Contracts Department

Issue date: March 13, 2006

I. Introduction

The Tri-County Transportation District of Oregon (TriMet) is the public transit provider for the Portland region. TriMet was responsible for construction of the Interstate MAX light rail project in North Portland, which was completed under budget. TriMet received approval from the Federal Transit Administration (FTA) to use a portion of these unspent funds to increase funding for station area development. The desired result of this development solicitation is selection of a Development Team to develop property purchased by TriMet for the purpose of promoting redevelopment in the Killingsworth MAX station area. TriMet is working closely with staff from the Portland Development Commission (PDC) and Metro's Transit Oriented Development Implementation Program to coordinate station area development activities.

TriMet has established minimum program requirements for the desired redevelopment project (see Section IV), while expecting that the successful Proposer will strive to exceed the minimum. The successful project will contribute positively to the character of the station area, provide housing that's needed and increase transit use. TriMet requests Statements of Qualifications and Project Approach ("SOQs" or "Proposals") from qualified Proposers interested in planning, designing, permitting, financing, constructing, owning and managing the required development program. The Development Team will be selected from among the Proposers to this development solicitation. The criteria upon which selection of the Development Team will be based are set out in Section VI, below.

II. Site Information

Location

The site is located at 5204/5226 N. Interstate Avenue between N. Emerson and N. Sumner. The north half of the site is occupied by the Crown Motel. The south half of the site is vacant. The site is approximately 400 feet from the N. Killingsworth MAX station and frequent bus service (Line # 72) on N. Killingsworth Avenue.

The site is comprised of two parcels described as follows:

Parcel I: Lots 1 and 2, EXCEPT the West 20 feet thereof; the West 20 feet of Lot 7, EXCEPT the North 10 feet thereof; and the West 20 feet of Lot 8; Block 36, M. PATTON'S SECOND ADDITION TO ALBINA, in the city of Portland, County of Multnomah and State of Oregon.

Parcel II: Lots 3 and 4, EXCEPT the West 20 feet thereof; the West 20 feet of Lots 5 and 6; and the North 10 feet of the West 20 feet of Lot 7, Block 36, M. PATTON'S SECOND ADDITION TO ALBINA, in the City of Portland, County of Multnomah and State of Oregon.

Crown Motel Redevelopment



Church

Killingsworth Site
(PDC Owned)

N Killingsworth St

Maryland

Willamette

Interstate Firehouse
Cultural Center

Patton Square
Park

Emerson

Interstate

Crown Motel
(TriMet Owned)

Sumner

Webster

Characteristics

The site is 200' x 120' totaling 24,000 square feet. The site is flat. The site is zoned EXd, a high density zone allowing a range of residential and commercial uses. The height limit is 65' and the maximum floor area ratio (FAR) is 3 to 1.

Patton Square Park and the Interstate Firehouse Cultural Center are located north of the site across North Emerson. Single-family homes are located across N. Sumner to the west. Four single-family homes abut the site to the east. A motel is located to the west, across Interstate Avenue.

Recent private and public investment in the area within ½-mile of the site include New Seasons grocery store at N. Interstate and N. Portland Boulevard, three new buildings and one renovated building at the Portland Community College Cascade Campus and Roux restaurant on N. Killingsworth and Concord. Local schools are Beech Elementary, Ockley Green Middle School and Jefferson High School. Portland Parks will complete a \$700,000 renovation of Patton Square Park this summer.

The site is located in the Interstate Corridor Urban Renewal District. PDC acquired property at N. Interstate and Killingsworth for redevelopment as part of its urban renewal program. A developer selected by PDC to develop the site withdrew from the project in November 2005. PDC plans to solicit a new developer in April. PDC's program for this site will require ground floor retail and residential ownership opportunities for households with incomes between 80- and 100 percent of the area median income.

The site is in the Overlook neighborhood.

Environmental

A Phase 1 Environmental Assessment conducted by Environmental Health Management, Inc. concluded that the portion of the site where the motel is located "does not show objective evidence of environmental concerns." The remainder of the site, which is currently vacant, was the subject of a Phase 2 Environmental Assessment. The Phase 2 identified a buried metal object with a high probability of being an orphaned underground storage tank in the southwest corner of the site. Summary information from these reports is attached as Appendix A. Complete copies of the reports are available upon request from TriMet.

III. Project Background

The *Interstate Station Area Revitalization Strategy* was developed through a series of public work sessions in 2000-2001 and adopted by the Portland City Council in July 2001. It identified the Crown Motel as a site desired for redevelopment as housing. TriMet's acquisition of the site was the first step toward achieving this goal. This development solicitation is the second step. In addition, TriMet expects the completed

project to respond to TriMet's relevant adopted policies and to the goals set out in the Interstate Urban Renewal Area Housing Strategy. These are:

TriMet Real Property Management & Development Policy

Development opportunities shall consider such factors as:

1. Enhancement of system ridership;
2. Increased availability of housing, community services or employment, in particular for low- to moderate-income households;
3. Stability and reliability of the financial plan;
4. Integration of transportation and land use goals;
5. Experience of the participants in design, construction and financing of similar projects;
6. Other benefits to TriMet.

TriMet Transit Oriented Development Policy

The Transit Oriented Development (TOD) policy implements TriMet's broader Real Property policy. It requires that proposals for development on TriMet property should:

1. Maximize development opportunity on the site by achieving a minimum of 80 percent of allowable floor area ratio;
2. Provide revenue through sale or lease of property and increased ridership;
3. Include TOD characteristics such as reduced auto dependency, enhanced connections between surrounding area and the transit station/stop, improved opportunity to obtain goods and services near transit stations and activation of public spaces;
4. Support community aspirations as stated in land use or other public documents;
5. Demonstrate Development Team experience with projects of similar complexity and the Team's capacity to complete the proposed project;
6. Catalyze future development.

Interstate Corridor Urban Renewal Housing Strategy

The Interstate Corridor Urban Renewal Plan established a broad range of goals for the area, which reflect a desire for activities undertaken by urban renewal to benefit the existing community. The Interstate Corridor Urban Renewal Area (ICURA) Housing Strategy was adopted to implement the broader Urban Renewal Area (URA) goals. The Housing Strategy goals are:

1. Preserve and maintain existing sound housing stock;
2. Increase the total housing stock by at least 4,000 housing units by the Year 2020 to increase the availability of rental and ownership housing opportunities for current and future residents, and to support expanded services, businesses and employment opportunities;
3. Ensure that an adequate supply of housing is available and affordable (costs 30% or less of gross income) to people of all income levels living in the ICURA in the Year 2000;
4. Ensure housing options for households of different sizes and needs;
5. Increase opportunities for homeownership, prioritizing opportunities for existing residents;
6. Increase the housing stability of existing residents and protect them from involuntary displacement caused by gentrification, increased housing costs and loss of housing choices.

Land use policies and development standards applicable to the project are contained in the *Portland Comprehensive Plan, Albina Community Plan, Albina Community Plan Design Guidelines* and Title 33 of the Portland Code, which are posted as pdf files on the Portland Online, Bureau of Planning website.

IV. Development Program

TriMet has established minimum program requirements for the desired project, while expecting that the successful Proposer will strive to exceed the minimum within the constraints of available financing and marketability. The following description is intended to provide Proposers with the information needed to determine the composition of a team capable of achieving the requirements. The development program described in this section is not the basis for Development Team selection. Development Team selection will be based on the criteria set forth in Section VI.

Quantitative requirements

Minimum FAR of 2.4:1

Minimum 26 residential units.

At least 13 residential units must be affordable to households with incomes at or below 50 percent of area median family income for a minimum of 60 years.

At least 13 units must be designed to accommodate and attract households with children. These would likely be 3-bedroom units.

Maximum parking ratio of 1:1

Project construction shall be completed by August 31, 2008.

Qualitative requirements

Units not subject to the long term affordability requirements set forth above, should be attractive and available to households with diverse incomes. Innovative approaches to expanding housing choices, including mixing tenure, is desired.

Building(s) should be oriented to Interstate Avenue and Patton Square Park while ensuring residential space is pleasant and secure.

Ground floor commercial space is encouraged, but not required, if other strategies are used to activate the street level.

Building materials should impart quality and permanence. Masonry, CMU or comparable materials will be required on the ground level where the building abuts the public right of way.

Threshold criteria identified in PDC's "Greening Portland's Affordable Housing" (www.pdc.us/pdf/dev_serv/pubs/green_building_policy.pdf) should be met.

The Development Team will seek community involvement in program development and building design.

The Development Team will submit an application for any required state funding in the August 2006 CFI.

Marketing of affordable residential units should target Interstate Corridor residents at risk of displacement due to rising rents or related issues.

V. Project Assistance

It is anticipated the Development Team will need to secure resources to finance the project from multiple sources. As a starting point, commitments from TriMet, PDC and Metro are as follows:

TriMet

The site offered for development was purchased with funds from a capital grant program of the FTA and is subject to FTA's property disposition rules and guidance. TriMet intends to sell the site to the Development Team for an amount and terms to be negotiated. TriMet anticipates that FTA will allow TriMet to offer a discount on the

market value of the property for a joint development project that provides benefits to transit such as increased ridership.

TriMet will contribute up to \$10,000 to support the cost of community involvement in project design. Eligible costs will include development of design alternatives, presentation materials, meeting arrangements and expenses associated with marketing the project to Interstate Corridor residents.

Portland Development Commission

PDC has worked closely with TriMet to craft the development program and this solicitation. PDC intends to allocate \$4 million to two projects—the development on the subject site and anticipated development on a PDC-owned site at N. Interstate and Killingworth. The \$4 million will be allocated according to project need and benefits.

Metro

Metro has also worked closely with TriMet to craft the development program and this solicitation. Metro has committed \$750,000 to transit-oriented development in the Interstate Corridor.

VI. Submission Requirements and Evaluation

Proposals must be received by TriMet no later than April 21, 2006 at 4 p.m.

One original and six copies of the proposal shall be submitted. The original must be unstapled, unbound and without dividers for easy photocopy reproduction. Submit to:

Procurement & Contracts Department
TriMet
710 NE Holladay Street
Portland, OR 97232
Attn: Lance Erz, Contract Administrator

Proposers shall use a standard 12-point font, single-spaced and one-inch page margins. Proposals should contain written information on both sides of each sheet of paper; however, a double-sided sheet will count as two pages.

Proposers are cautioned not to minimize the importance of an adequate response in any area.

At a minimum, the items described in each section below shall be addressed in the proposal. The possible score for each section is indicated in bold. The selection of the Development Team will be based on the quality, clarity and thoroughness of the submitted proposal and its compatibility with this development solicitation's stated objectives and intent, submission requirements, plus the result of information gathered from any interviews with Proposers requested by TriMet and reference checks.

A. Cover Letter (maximum 1 page)

The cover letter should include an introduction to the Proposer, and should state the Development Team's commitment to complying with the development program described in Section IV. If the Proposer desires any variation from the program described in Section IV, it should be noted and explained here.

B. Team Composition (maximum 2 pages)

Provide names and contact information for all team members. Describe any prior experience in which members of this Development Team have worked together. Identify the role each Team member will play relative to the program described in this solicitation.

10 points

C. Development Experience (maximum 3 pages)

Provide examples of projects similar to this development opportunity completed by the Proposer's Team. Project descriptions might include program, density, relevant design elements, project value, community involvement, lease-up or sales success and any information that demonstrates innovation in project development or construction. Photos are encouraged. Provide one reference for each example, with contact name, address and phone number.

30 points

D. Understanding of Interstate Corridor Housing Needs (maximum 1 page)

Describe the Proposer's understanding of the demographics, policies, market and other opportunities and challenges that will shape the proposed project.

10 points

E. Understanding of Transit Oriented Development and Benefits to TriMet (maximum 1 page)

Describe the Proposer's understanding of elements that comprise successful TOD and how the project might benefit TriMet and users of public transportation.

10 points

F. Approach to Program Development and Design and Construction (maximum 4 pages)

Describe the Proposer's understanding of the scope of work necessary to accomplish the desired development. Describe overall project management as well as responsibility for specific tasks among team members. Clearly identify where community involvement will be incorporated, and where coordination with public funding partners will occur. Provide a proposed schedule for the project which identifies major milestones. This statement of approach should demonstrate expertise in the entire development process and identify a thorough and realistic plan for accomplishing the desired development.

30 points

G. Capacity (maximum 1 page)

Describe availability of team members and team resources necessary to complete the required development program.

10 points

H. Financial Statements

Provide audited financial statements for each key team member. During the solicitation process, financial statements will be reviewed by Evaluation Committee members, TriMet's Executive Director of Capital Projects, and TriMet legal counsel only. Financial statements will be kept confidential to the extent allowed by law. Proposer will be disqualified if, in the EC's sole discretion, financial statements indicate that Proposer lacks fiscal soundness.

I. Forms

Complete and submit all forms set forth in Section VIII, below.

VII. Selection Process

- A. Responsive proposals will be reviewed by an Evaluation Committee (EC) consisting of three representatives from TriMet, one from PDC and one from Metro. The EC will employ only those evaluation criteria set forth in this Request for Statements of Qualifications and Project Approach or in addenda that may be issued. An evaluation criterion is deemed to include any unstated "sub-criterion" that logically might be included within the scope of the stated criterion.
- B. Following review by the EC, proposers may be asked to provide clarifying or additional information, and/or may be invited to participate in an interview. Interviews may be held with some or all Proposers, and will be held solely at the EC's discretion. Tentative dates for interviews, if required, are April 27 and 28 and May 1 and 2, 2006.
- C. TriMet will provide an opportunity for interested community members and others to review and comment to the EC on the written proposals.
- D. The EC will make a recommendation to the TriMet Executive Director of Capital Projects regarding which proposal(s), if any, should be considered further, along with a summary of the rationale used to support the recommendation. The EC will make this recommendation no later than May 10, 2006.
- E. The Executive Director of Capital Projects, based on the recommendation of the EC and in his sole discretion, will
 - a. determine which Development Team is the most qualified; or
 - b. determine that none are acceptable; or
 - c. determine that additional information from selected proposers is necessary.

- F. All responsive Proposers will receive written notice of the Executive Director's determination. TriMet will strive to send notification no later than May 17, 2006.
- G. TriMet and the successful Proposer will negotiate a Development Agreement or other mutually acceptable agreement or understanding by August 1, 2006 for presentation to TriMet's Board of Directors. It is anticipated that development activities will commence in advance of a Development Agreement, but with no obligation by TriMet to execute a Development Agreement if mutually agreeable terms are not found. TriMet reserves the right to cancel this solicitation at any time without liability prior to execution of the Development Agreement by TriMet.
- H. In the event that TriMet is unable to negotiate a satisfactory Development Agreement with the Proposer considered to be the most qualified, it shall formally terminate negotiations with that Proposer. TriMet then may, at its discretion:
 - a. undertake negotiations with the second most qualified Proposer. Failing agreement with the second most qualified Proposer, TriMet may, at its discretion, terminate negotiations and proceed with negotiations with the third most qualified Proposer, and so on; or
 - b. cancel this solicitation and proceed with a new solicitation process.

VIII. Forms

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8.1 FORM OF BUSINESS

Name of Lead Firm: _____

Principle Business Address: _____

Phone: _____

Fax: _____

E-mail: _____

1. What form of business is your organization? (check one)

___ Sole Proprietorship

___ Partnership (_ Limited _ General)

___ Corporation

2. If a corporation, when and where was your organization incorporated?

3. If a limited partnership, when and where is your organization certified?

4. If not certified or incorporated in Oregon, is your organization authorized to do business in Oregon?

5. State of Oregon Certified M/W/ESB* Firm? Yes No

If yes, please provide State Certification Number: _____

*For more information on certification please contact the State of Oregon Office of Minority, Women and Emerging Small Business at (503) 947-7976.

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8.2 RECIPT OF ADDENDA

ADDENDA RECEIVED:

Addendum No. ____ Date Received _____

Addendum No. ____ Date Received _____

Addendum No. ____ Date Received _____

Addendum No. ____ Date Received _____

Addendum No. ____ Date Received _____

Addendum No. ____ Date Received _____

Addendum No. ____ Date Received _____

If no addendum received write "None Received": _____

Date

Signature

Name

Title

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8.3 Certificate of Compliance with Oregon Tax Laws

By submitting this Proposal, Proposer certifies under penalty of perjury, that Proposer is, to the best of Proposer's knowledge, not in violation of any Oregon tax law imposed by ORS Chapters 118, 314, 316, 317, 318, 320, 321 and 323 and sections 10 to 20 Chapter 533, Oregon Laws 1981, as amended by Chapter 16, Oregon Laws 1982 (first special session); the Homeowners and Renters Property Tax Relief Program under ORS 310.630 to 310.690; and, local taxes administered by the Oregon Department of Revenue under ORS 305.620.

Date: _____

Signature: _____

Name: _____

(print)

Title: _____

Firm: _____